

82-781

CSK

03 JAN -3 11:54

December, 2002

The U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Room 3099
Office of International Corporate Finance
Mail Stop 3-7
Washington, D.C. 20549



Dear Sir/Madam,

PROCESSED

SUPPL

FEB 03 2003

**THOMSON
FINANCIAL**

As per Rule 12g3-2(b), we are sending the CSK Semiannual Report for the six months period ended September 30, 2002, announcements of share repurchases results on November 26 and 28, 2002. If you have any questions, do not hesitate to contact our IR department, ir_sp@cii.csk.co.jp.

Best Regards,

Satoko Ono

Satoko Ono
Public Relations Office IR Section
CSK CORPORATION

25th Floor, Shinjuku-Sumitomo Building,
2-6-1 Nishi-Shinjuku Shinjuku-ku, Tokyo,
163-0227, JAPAN
TEL: +81-3-5321-3164
FAX: +81-3-5321-3136
E-Mail: ir_sp@cii.csk.co.jp
URL: <http://www.csk.co.jp>

dlw 1/23

CSK CORPORATION

CSK announces results of share repurchases through ToSTNeT-2

TOKYO, November 26, 2002 - CSK CORPORATION ("CSK") today announced that it had repurchased 827,200 ordinary shares as part of the share buyback plan agreed at its general shareholders' meeting on June 27, 2002.

Details

| | |
|---------------------------------|---|
| 1. Reason for repurchase | Systematic implementation of financial policies in a changing operating environment |
| 2. Class of shares repurchased | CSK ordinary shares |
| 3. Number of shares repurchased | 827,200 shares |
| 4. Price paid per share | ¥2,740 |
| 5. Date of purchase | Tuesday November 26, 2002 |
| 6. Method of purchase | Closing price transaction through ToSTNeT-2 (Tokyo Stock Exchange Trading Network System) |

For reference

Details of share repurchase intention announced on November 25, 2002:

| | |
|--|---------------------|
| Class of shares to be acquired | CSK ordinary shares |
| Maximum number of shares to be acquired | 1,500,000 shares |
| Maximum total value of shares to be acquired | ¥4,110 million |

===Ends===

00 JAN -3 11:54

CSK CORPORATION

CSK announces results of share repurchases through ToSTNeT-2

TOKYO, November 28, 2002 - CSK CORPORATION ("CSK") today announced that it had repurchased 3,222,600 ordinary shares as part of the share buyback plan agreed at its general shareholders' meeting on June 27, 2002.

Details

| | |
|---------------------------------|---|
| 1. Reason for repurchase | Systematic implementation of financial policies in a changing operating environment |
| 2. Class of shares repurchased | CSK ordinary shares |
| 3. Number of shares repurchased | 3,222,600 shares |
| 4. Price paid per share | ¥2,705 |
| 5. Date of purchase | Thursday November 28, 2002 |
| 6. Method of purchase | Closing price transaction through ToSTNeT-2 (Tokyo Stock Exchange Trading Network System) |

For reference

1. Details of share repurchase intention announced on November 27, 2002:

| | |
|--|---------------------|
| Class of shares to be acquired | CSK ordinary shares |
| Maximum number of shares to be acquired | 3,500,000 shares |
| Maximum total value of shares to be acquired | ¥9,467.5 million |

2. Earlier share repurchases carried out under the June 27, 2002 agreement:

| Date | Number of shares | Price paid per share |
|-------------------|------------------|----------------------|
| November 26, 2002 | 827,200 | ¥2,740 |

===Ends===



CSK

Semiannual Report 2002

For the six months ended September 30, 2002

CSK CORPORATION



CONSOLIDATED FINANCIAL HIGHLIGHTS (Unaudited)

CSK CORPORATION and Consolidated Subsidiaries
For the six months ended September 2001 and 2002

| | Millions of Yen | | Thousands of U.S. Dollars (Notes 2) |
|---|-----------------|-------------|---|
| | 2001 | 2002 | 2002 |
| Net sales | ¥200,063 | ¥165,709 | \$1,351,627 |
| Operating income | 5,180 | 9,688 | 79,022 |
| Income (loss) before income taxes and minority interests | (1,529) | 5,558 | 45,334 |
| Net income (loss) | (4,984) | 1,008 | 8,220 |
| Total assets | 350,214 | 322,568 | 2,631,063 |
| Total shareholders' equity | 78,087 | 86,866 | 708,533 |
| Interest-bearing debt | 132,581 | 103,126 | 841,154 |
| | | | |
| | Yen | | U.S. Dollars |
| Per share information (Notes 1 and 2): | | | |
| Net income (loss) per share | ¥(66.7) | ¥13.7 | \$0.11 |
| Cash dividends | 6.00 | — | — |

Notes: 1. Per share figures are in exact yen.

2. U.S. Dollar amounts are translated from yen, for convenience only, at the rate of ¥122.60=US\$1.

CONTENTS

| | |
|---|----|
| TO OUR SHAREHOLDERS | 1 |
| CONSOLIDATED BALANCE SHEETS | 6 |
| CONSOLIDATED STATEMENTS OF OPERATIONS | 8 |
| CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY | 9 |
| CONSOLIDATED STATEMENTS OF CASH FLOWS | 10 |
| NOTES TO CONSOLIDATED FINANCIAL STATEMENTS | 12 |
| NON-CONSOLIDATED BALANCE SHEETS | 18 |
| NON-CONSOLIDATED STATEMENTS OF OPERATIONS | 20 |
| BOARD OF DIRECTORS AND CORPORATE AUDITORS | 21 |
| INVESTOR INFORMATION | 22 |

TO OUR SHAREHOLDERS

OPERATING RESULTS

(1) Overview of operations

The business environment in Japan deteriorated in the first half of the fiscal year amid large declines in share prices and rising corporate bankruptcies. Economic recovery was hampered by non-performing loans and excessive corporate debt, increasing unemployment, delayed and constrained capital spending, and continued deflationary pressures.

Demand in the information services sector during this period was resilient, centered on enterprise resource planning (ERP) and supply chain management (SCM) systems and on public sector demand for e-government systems. Despite this, project postponements and spending restraints combined to produce a generally adverse operating environment.

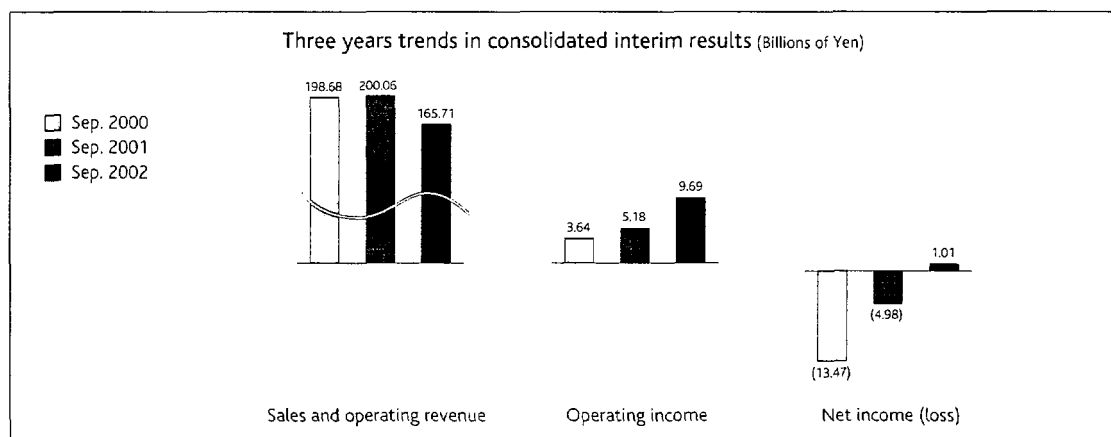
(2) Overview of consolidated results

Against this background, the CSK Group maintained its focus on becoming "e-Service No. 1", steadily reinforcing its management foundations by continuing to concentrate on 1) implementation of systematic Group management, 2) Group reorganization, and 3) strengthening the Group financial structure.

The Group delivered further progress with its strategy of being equipped to offer full-line services in response to customer needs, from systems construction to business process outsourcing (BPO). At the same time we continued to develop infrastructural support for our offerings, marked by the October 2002 establishment of the CSK e-Service Data Center.

CSK continues to realize Group policies, harnessing our accumulated project management experience, strong customer relationships, and operational capabilities to combine systems development and management, and to cultivate and commercialize BPO opportunities.

To ensure ongoing control of selling, general and administrative expenses, in April this year we established the Business Process Reengineering Committee. This unit is spearheading our drive to create a cost structure that will allow us to prevail in a tough operating environment.



Sales and operating revenue reached ¥165,709 million, decreasing ¥34,354 million (17.2%) year on year

Sales and operating revenue was down mainly because our results for the term excluded those of ASCII CORPORATION and CSK ELECTRONICS CORPORATION (presently T-ZONE CORPORATION), both of which were removed from consolidation after transfer of management control at the end of the previous fiscal term. Sales and operating revenue improved at many other operations, including those of the CSK CORPORATION, Japan Future Information Technology & Systems Co., Ltd., and other systems development businesses, as well as the contact center business of CSK Communications Corporation and the QUO prepaid card operations of Japan Card Center Kaisha.

Operating income increased ¥4,508 million (87.0%) year on year to ¥9,688 million

Our interim operating income has improved steadily since we reorganized Group operations to focus on B-to-B areas. In the six months through September 2000, operating income was ¥3,637 million. A year later, performance improved to ¥5,180 million, and in the six months to September 2002 operating income has grown to ¥9,688 million.

Net income ¥1,008 million, compared year on year to a net loss of ¥4,984 million

Net income is also improving significantly, and this period's net income of ¥1,008 million compares to net losses in the six months to September 2000 and September 2001 of ¥13,472 million and ¥4,984 million respectively.

(i) Business Segment Results**<Computer services>**

Sales and operating revenue declined 0.7%, to ¥111,516 million, but operating income rose 58.3%, to ¥8,757 million. Sales of systems development services grew steadily, particularly for ERP projects.

Sales and operating revenue, and operating income advanced at several consolidated subsidiaries. These included Japan Future Information Technology & Systems Co., Ltd., which focuses on systems development, CSK Communications Corporation, which operates contact centers, and ServiceWare Corporation. ISAO CORPORATION greatly reduced its losses and is shifting to B-to-B services.

<Computer and other product sales>

Sales and operating revenue fell 43.4%, to ¥28,271 million, although operating income increased 70.1%, to ¥1,095 million. Sales and operating revenue were down mainly because results for the previous corresponding included those of CSK ELECTRONICS CORPORATION, which as noted above has now been removed from consolidation. At the same time, operating income improved because losses generated by CSK ELECTRONICS CORPORATION no longer had an impact on the period under review.

<Prepaid card sales>

This business is operated by consolidated subsidiary Japan Card Center Kaisha, and sales and operating revenue during the period grew 3.9% to ¥26,365 million on the back of increased volume in its core QUO Card business with major convenience store chains. After the impact of amortization of goodwill, operating income was ¥388 million, compared with operating loss of ¥111 million in the previous interim period.

<Others>

Sales and operating revenue in other businesses declined 12.0% to ¥917 million, and operating loss of ¥515 million was recorded compared to the previous interim period's operating income of ¥49 million. The Others category includes the operations of CSK Venture Capital Co., Ltd., and the building lease operations of CSK CORPORATION. This sales and operating revenue decline and operating loss reflect weak conditions in equity markets, which led to a dramatic decline in sales of investment securities held for business purposes.

(ii) Financial Position**Assets**

Total assets decreased ¥16,410 million, to ¥322,568 million.

Current assets were lower because of debt repayments and a decrease in cash and time deposits from the acquisition of the CSK e-Service Data Center, which was opened in order to further develop full-line services, while collections reduced notes and accounts receivable. Tangible fixed assets increased in line with the launch of the CSK e-Service Data Center. Investments and other assets dropped mainly owing to the inclusion of retained earnings by the adoption of the "Accounting Standard for Treasury Stock and Reversal of Legal Reserves".

Liabilities

Total liabilities decreased by ¥9,706 million.

Current liabilities were lower, principally owing to the decrease of accounts payable-trade and the repayment of short-term loans. Long-term liabilities dropped, mainly due to a reduction in long-term bank loans payable.

Shareholders' equity

Total shareholders' equity declined ¥7,933 million, to ¥86,866 million.

Although the return to net income for the interim period under review had a positive impact, the adoption of the "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" resulted in an overall decline in shareholders' equity.

(iii) Cash Flows**Cash flows from operating activities**

Net cash provided by operating activities was ¥3,868 million, an improvement of ¥1,635 million over the ¥2,233 million net cash provided in the previous corresponding period. This was due primarily to a decline in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities was ¥9,124 million, a decrease of ¥8,793 million over the ¥331 million net cash used in the previous corresponding period. This was mainly because of the purchase of the CSK e-Service Data Center and the purchase of Japanese Government Bonds for the prepaid card operation trust fund pool.

Cash flows from financing activities

Net cash used in financing activities was ¥4,777 million, an improvement of ¥7,999 million over the ¥12,776 million net cash used in the previous corresponding period. The main factor here was a reduction in cash used to repay short-term debt during this interim period.

As a result of these factors, cash and cash equivalents at the end of the period amounted to ¥53,198 million.

(iv) Full year forecasts (Consolidated)

The Japanese economy remains beset by stagnant equity markets in Japan and abroad and chronic deflationary pressures, and these factors are likely to maintain the existing pressure on corporate capital expenditure. We expect reviews and postponements to increasingly affect IT spending, although solid underlying investment demand is likely to continue.

Under these circumstances, the Group aims to maximize corporate value by accurately identifying changing customer needs while harnessing its resources to optimize its structure for providing a full line-up of services.

Accordingly, full year consolidated forecasts are as follows:

| | (Millions of Yen) | |
|--|-----------------------------|------------|
| | Sales and operating revenue | Net income |
| Fiscal year ended March 31, 2003 (forecast) | ¥370,000 | ¥7,000 |
| Fiscal year ended March 31, 2002 (actual) | ¥423,704 | ¥14,220 |

Note that these forecasts are based on information available at this time. Actual results may differ significantly due to changes in economic and market trends.

MANAGEMENT POLICIES**(1) Fundamental Management Policy**

Since CSK's inception, operations have been guided by the founding spirit that *Provision of service is our ultimate corporate mission*. CSK has consistently focused on offering services that maximize benefits for customers. This entails drawing on sophisticated technologies to supply timely services that meet customers' needs.

CSK and all members of the CSK Group pursue a basic management strategy of bringing together the technology, human resources and corporate cultures developed through the years to go beyond conventional information services. The goal is to offer efficient and user-friendly e-services for the 21st century's highly networked society.

CSK regards meeting the expectations of shareholders as one of its most important corporate responsibilities. While responding flexibly to a changing economic and social environment, we aim to contribute to the success of our customers, serve the communities in which we operate, and work together for the mutual benefit of employees and the Company. As such, the Group's management philosophy places priority on three precepts: to be sensitive to changes and respond flexibly to them; to fulfill our social mission; and to connect our corporate objectives with those of individual employees.

(2) Basic Policy for Allocation of Earnings

Returning earnings to shareholders has always been a central element of CSK's management policies. CSK will continue to adhere to its policy of allocating stable dividends to meet the expectations of shareholders, while taking into consideration the need to preserve and strengthen the Group's financial position, business operations, and financial and management systems.

Retained earnings will be employed as a source of funds to enhance technical skills, to conduct research in new technologies, to build a stronger operating base for the Group, to seek new business opportunities, and to take other forward-looking actions. We believe that the effective use of retained earnings will lead to a more powerful base to support future earnings growth.

Stock option schemes implemented by CSK and its listed subsidiaries are offered as part of management's determination to align corporate and individual goals, and serve to motivate and build up the morale of directors and employees to achieve improved results.

(3) Basic Medium- and Long-Term Strategy

Aiming to become "e-Service No. 1"

With the advent of the Internet, the role of IT services has grown beyond enhancing internal productivity to include supporting companies' core businesses as they interact with customers and business partners alike. In line with this rapidly developing environment our customers' needs have also changed, and they now require:

- End-to-end solutions, from systems integration to Business Process Outsourcing (BPO).
- A far greater range of BPO services
- Optimal Total Cost of Ownership (TCO — total costs over a system's lifetime, including maintenance and operating costs.)

IT services, then, has expanded from conventional back office support to a front line position supporting the core businesses of our clients. Within this new environment CSK provides total e-services that support customers' IT systems construction and management as well as their business management. CSK Group companies can offer full-line services that meet the wide-ranging needs of customers. Drawing on the outstanding capabilities of these Group companies, we are driving forward to meet our goal of becoming "e-Service No. 1".

Strategic Business Theme: *Lifetime Full Support*

We believe that we have reached a stage where the accumulated strengths and resources of CSK Group are now more closely than ever matched to the needs of the market, creating a significant business opportunity. Clients are demanding optimal support over the lifetime of their systems, and under the theme *Lifetime Full Support* we are developing our businesses to meet that demand based on three core strengths:

1. The ability of Group companies to provide full-line services for systems' lifetime
2. Our strong customer base built upon sustained service confidence
3. Outstanding project management capabilities

(4) Business Structure — Key Issues

1. Review of achievements in previous fiscal year

- a. *Implementation of Systematic Group Management:* By strengthening consultation between Group companies we improved the decision making process within the Group, and by setting up a cross-sectional framework under which working units implement decisions, we created a strong management foundation from which to promote our full line services.

- b. *Review of B-to-C businesses*: CSK transferred management control of ASCII CORPORATION and CSK ELECTRONICS CORPORATION to entities outside the Group, and also completed initial investment in ISAO CORPORATION to develop its business at a low risk. SEGA CORPORATION is now focusing on operations that maximize the Group's asset value as the leading shareholder.
- c. *Strengthened alliances*: As part of an initiative to promote a broad ranging business alliance with MITSUI & CO., LTD. in the area of IT services, SEGA CORPORATION transferred its shareholdings in NextCom.K.K. to MITSUI & CO., LTD.

2. Issues for the current fiscal year

Although we are faced with a deteriorating business environment, we plan to take the following steps to ensure a business structure that will support the Group strategy of offering *Lifetime Full Support* to our clients. CSK aims to:

- 1) Create an *optimal service delivery structure* throughout the Group
- 2) Integrate financial management across the Group and *strengthen the Group's financial position*
- 3) Maximize corporate value by strengthening the Group's earning power

a. Service delivery structure

Integration of dispersed or overlapping businesses

- Enhance quality and productivity through specialization, and achieve economies of scale

Optimization of full-line services delivery structure

- Strengthen price competitiveness by eliminating intra-Group price increases
- Respond more rapidly to customers' needs by simplifying the coordination process among Group companies.

Establishment and launch of the CSK e-Service Data Center

- The CSK e-Service Data Center has been established as the Group's system infrastructure for providing full-line services. This large scale Data Center, complete with security levels that meet the critical demands of financial institutions, starts operation in October 2002.

b. Management structure and financial control

Integrate financial management across the Group and strengthen the Group's financial position

- Planned December 2002 introduction of Group cash management system with the aim of reducing interest bearing liabilities

c. Strengthening the Group's earning power

Promote a new business model

Develop new businesses based on specialized know-how and competitively priced package software. Examples include:

- Manufacturing Cost Variance Analysis System
Package software that supports the efficient control and reduction of production costs based on the underlying technology of the T.C.C.M. (Toyota Cost Control Method) provided by Toyota Motor Corporation.
- Market Viewer
ASP service that provides real time stock price and other financial markets information via the Internet.

Introduce a Group-wide Unit Administration System

- Enhance operating efficiency and increase project management by systemizing the administration of human resources, sales reports, and project status.

Take ongoing measures to structurally reduce SG&A expenses

- Reorganize our back-office structure (introduce shared services throughout the Group.)
- Institute a new sales process, and reform the purchasing and procurement processes.



Masahiro Aozono
President and Representative Director

CONSOLIDATED BALANCE SHEETS (Unaudited)

CSK CORPORATION and Consolidated Subsidiaries
As of September 30, 2001 and 2002

| ASSETS | Millions of Yen | | Thousands of U.S. Dollars (Note 1 (1)) |
|--|---------------------|---------------------|--|
| | 2001 | 2002 | 2002 |
| Current assets: | | | |
| Cash (Note 2) | ¥ 55,200 | ¥ 46,507 | \$ 379,343 |
| Notes and accounts receivable | 60,820 | 56,931 | 464,362 |
| Marketable securities (Notes 2 and 3) | 20,931 | 15,002 | 122,366 |
| Venture capital investments | 3,469 | 4,104 | 33,478 |
| Inventories | 20,334 | 11,234 | 91,629 |
| Other current assets | 12,874 | 28,410 | 231,728 |
| Allowance for doubtful accounts | (561) | (255) | (2,080) |
| Total current assets | <u>173,067</u> | <u>161,933</u> | <u>1,320,826</u> |
| Property and equipment, net of accumulated depreciation (Note 4) | 40,452 | 39,029 | 318,341 |
| Deferred charges and intangible assets | 11,260 | 8,182 | 66,739 |
| Investments and other assets: | | | |
| Investments in unconsolidated subsidiaries and affiliates | 54,915 | 38,542 | 314,376 |
| Investments in securities (Note 3) | 34,146 | 32,125 | 262,029 |
| Long-term loans receivable | 5,482 | 872 | 7,110 |
| Investments in partnerships | 13,923 | 8,202 | 66,899 |
| Deferred income taxes | 3,679 | 23,394 | 190,818 |
| Other assets | 20,222 | 12,020 | 98,040 |
| Allowance for doubtful accounts | (6,932) | (1,731) | (14,115) |
| Total investments and other assets | <u>125,435</u> | <u>113,424</u> | <u>925,157</u> |
| Total assets | <u>¥350,214</u> | <u>¥322,568</u> | <u>\$2,631,063</u> |

(Continued on following page)

The accompanying notes are an integral part of these statements.

CSK CORPORATION

| LIABILITIES AND SHAREHOLDERS' EQUITY | Millions of Yen | | Thousands of U.S. Dollars (Note 1 (1)) |
|--|-----------------|----------|--|
| | 2001 | 2002 | 2002 |
| Current liabilities: | | | |
| Notes and accounts payable | ¥ 31,913 | ¥ — | \$ — |
| Accounts payable | — | 26,667 | 217,516 |
| Short-term bank loans payable | 87,123 | 68,391 | 557,835 |
| Current portion of convertible bonds payable | 6,573 | — | — |
| Commercial paper | 19,600 | 7,000 | 57,096 |
| Accrued income taxes | 2,594 | 2,228 | 18,176 |
| Unearned revenue | 21,668 | 26,176 | 213,504 |
| Accrued bonuses to employees | 6,300 | 5,984 | 48,808 |
| Allowance for sales returns | 1,259 | — | — |
| Other current liabilities | 21,976 | 16,974 | 138,452 |
| Total current liabilities | 199,006 | 153,420 | 1,251,387 |
| Long-term liabilities: | | | |
| Corporate bonds payable | 10 | 6,510 | 53,100 |
| Convertible bonds payable | 4,300 | — | — |
| Long-term bank loans payable | 14,985 | 21,225 | 173,124 |
| Accrued employees' retirement benefits | 5,978 | 7,164 | 58,438 |
| Accrued directors' retirement benefits | 299 | 295 | 2,405 |
| Other long-term liabilities | 7,173 | 4,947 | 40,347 |
| Total long-term liabilities | 32,745 | 40,141 | 327,414 |
| Minority interests | 40,376 | 42,141 | 343,729 |
| Commitments and contingencies (Note 6) | | | |
| Shareholders' equity: | | | |
| Common stock— | | | |
| Authorized: 298,000,000 shares at September 30, 2001 and 2002, respectively | | | |
| Issued: 74,700,164 and 74,703,064 shares at September 30, 2001 and 2002, respectively | 69,029 | 69,034 | 563,085 |
| Capital surplus | 78,795 | 78,800 | 642,739 |
| Retained earnings (Accumulated deficit) | (67,565) | (53,298) | (434,727) |
| Adjustment on revaluation of land | — | (2,344) | (19,115) |
| Unrealized gains (losses) on securities | 149 | (224) | (1,828) |
| Foreign currency translation adjustments | (2,314) | (2,323) | (18,951) |
| Treasury stock, at cost | (7) | (2,779) | (22,670) |
| Total shareholders' equity | 78,087 | 86,866 | 708,533 |
| Total liabilities and shareholders' equity | ¥350,214 | ¥322,568 | \$2,631,063 |

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

CSK CORPORATION and Consolidated Subsidiaries
For the six months ended September 30, 2001 and 2002

| | Millions of Yen | | Thousands of U.S. Dollars (Note 1 (1)) |
|--|-----------------|----------|--|
| | 2001 | 2002 | 2002 |
| Sales and operating revenue | ¥200,063 | ¥165,709 | \$1,351,627 |
| Operating costs | 164,252 | 135,591 | 1,105,961 |
| Selling, general and administrative expenses | 30,631 | 20,430 | 166,644 |
| Operating income | 5,180 | 9,688 | 79,022 |
| Other income (expenses): | | | |
| Interest and dividend income | 505 | 310 | 2,531 |
| Interest expenses | (925) | (559) | (4,562) |
| Provision for accrued employees' retirement benefits | (341) | (342) | (2,788) |
| Gain on sales of investments in securities | 2,598 | 3,267 | 26,650 |
| Loss on write-down of investments in securities | (477) | (4,763) | (38,853) |
| Loss on write-down of inventories | (812) | - | - |
| Dilution gain | 3,120 | 424 | 3,456 |
| Equity in net losses of unconsolidated subsidiaries and affiliates | (6,101) | (1,890) | (15,415) |
| Loss on write-off of goodwill | (2,350) | - | - |
| Others, net | (1,926) | (577) | (4,707) |
| Income (loss) before income taxes and minority interests | (1,529) | 5,558 | 45,334 |
| Income taxes: | | | |
| Current | 3,487 | 2,797 | 22,809 |
| Deferred | (499) | 23 | 189 |
| | 2,988 | 2,820 | 22,998 |
| Income (loss) before minority interests | (4,517) | 2,738 | 22,336 |
| Minority interests in subsidiaries | (467) | (1,730) | (14,116) |
| Net income (loss) | ¥ (4,984) | ¥ 1,008 | \$ 8,220 |
| Per share information: | Yen | | U.S. Dollars (Note 1 (1)) |
| Basic earnings per share | ¥(66.72) | ¥13.69 | \$0.11 |
| Cash dividends | ¥ 6.00 | ¥ - | \$ - |

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

CSK CORPORATION and Consolidated Subsidiaries
For the six months ended September 30, 2001 and 2002

| | Millions of Yen | | | | | | | |
|---|-----------------|-----------------|---|-----------------------------------|---|--|-------------------------|---------|
| | Common stock | Capital surplus | Retained earnings (Accumulated deficit) | Adjustment on revaluation of land | Unrealized gains (losses) on securities | Foreign currency translation adjustments | Treasury stock, at cost | Total |
| Balance as of March 31, 2001 | ¥69,029 | ¥78,795 | ¥(62,220) | ¥ - | ¥1,753 | ¥(2,251) | ¥ (7) | ¥85,099 |
| Net income | | | 14,220 | | | | | 14,220 |
| Decrease due to changes in subsidiaries and affiliates | | | (188) | | | | | (188) |
| Adjustment on revaluation of land | | | | (2,110) | | | | (2,110) |
| Foreign currency translation adjustments | | | | | | 126 | | 126 |
| Unrealized gains (losses) on securities | | | | | (1,407) | | | (1,407) |
| Cash dividends | | | (896) | | | | | (896) |
| Directors' and statutory auditors' bonuses | | | (44) | | | | | (44) |
| Purchase of treasury stock, net | | | | | | | (1) | (1) |
| Balance as of March 31, 2002 | ¥69,029 | ¥78,795 | ¥(49,128) | ¥(2,110) | ¥ 346 | ¥(2,125) | ¥ (8) | ¥94,799 |
| Decrease due to adoption of Financial Accounting Standard Exposure No. 1 "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" (Note 1 (1)) | | | (4,713) | | | | | (4,713) |
| Exercise of stock options | 5 | 5 | | | | | | 10 |
| Net income | | | 1,008 | | | | | 1,008 |
| Decrease due to changes in subsidiaries and affiliates | | | 25 | | | | | 25 |
| Adjustment on revaluation of land | | | | (234) | | | | (234) |
| Foreign currency translation adjustments | | | | | | (198) | | (198) |
| Unrealized gains (losses) on securities | | | | | (570) | | | (570) |
| Cash dividends | | | (448) | | | | | (448) |
| Directors' and statutory auditors' bonuses | | | (42) | | | | | (42) |
| Purchase of treasury stock, net | | | | | | | (2,771) | (2,771) |
| Balance as of September 30, 2002 | ¥69,034 | ¥78,800 | ¥(53,298) | ¥(2,344) | ¥(224) | ¥(2,323) | ¥(2,779) | ¥86,866 |

| | Thousands of U.S. Dollars (Note 1 (1)) | | | | | | | |
|---|--|-----------------|---|-----------------------------------|---|--|-------------------------|-----------|
| | Common stock | Capital surplus | Retained earnings (Accumulated deficit) | Adjustment on revaluation of land | Unrealized gains (losses) on securities | Foreign currency translation adjustments | Treasury stock, at cost | Total |
| Balance as of March 31, 2002 | \$563,043 | \$642,697 | \$(400,717) | \$(17,207) | \$ 2,823 | \$(17,336) | \$ (67) | \$773,236 |
| Decrease due to adoption of Financial Accounting Standard Exposure No. 1 "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" (Note 1 (1)) | | | (38,438) | | | | | (38,438) |
| Exercise of stock options | 42 | 42 | | | | | | 84 |
| Net income | | | 8,220 | | | | | 8,220 |
| Decrease due to changes in subsidiaries and affiliates | | | 203 | | | | | 203 |
| Adjustment on revaluation of land | | | | (1,908) | | | | (1,908) |
| Foreign currency translation adjustments | | | | | | (1,615) | | (1,615) |
| Unrealized gains (losses) on securities | | | | | (4,651) | | | (4,651) |
| Cash dividends | | | (3,656) | | | | | (3,656) |
| Directors' and statutory auditors' bonuses | | | (339) | | | | | (339) |
| Purchase of treasury stock, net | | | | | | | (22,603) | (22,603) |
| Balance as of September 30, 2002 | \$563,085 | \$642,739 | \$(434,727) | \$(19,115) | \$(1,828) | \$(18,951) | \$(22,670) | \$708,533 |

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

CSK CORPORATION and Consolidated Subsidiaries
For the six months ended September 30, 2001 and 2002

| | Millions of Yen | | Thousands of U.S. Dollars (Note 1 (1)) |
|--|-----------------|----------------|--|
| | 2001 | 2002 | 2002 |
| Cash flows from operating activities: | | | |
| Income (Loss) before income taxes and minority interests | ¥ (1,529) | ¥ 5,558 | \$ 45,334 |
| Adjustments for— | | | |
| Depreciation | 5,771 | 2,516 | 20,523 |
| Amortization of goodwill | 1,386 | 513 | 4,188 |
| Increase (Decrease) in allowances | 2,532 | (268) | (2,193) |
| Interest and dividend income | (505) | (310) | (2,531) |
| Interest expenses | 925 | 559 | 4,562 |
| Equity in net losses (gains) of unconsolidated subsidiaries and affiliates | 6,101 | 1,890 | 15,415 |
| Dilution loss (gain) | (3,120) | (424) | (3,456) |
| Loss (Gains) on sales of investment in securities | (2,578) | (2,998) | (24,450) |
| Loss on write-down of investments in securities | 477 | 4,763 | 38,853 |
| Decrease (Increase) in accounts receivable | 10,656 | 7,122 | 58,088 |
| Decrease (Increase) in inventories | (1,958) | (3,350) | (27,325) |
| Decrease (Increase) in venture capital investments | 356 | (700) | (5,709) |
| Increase (Decrease) in accounts payable | (7,804) | (3,401) | (27,744) |
| Others | 795 | (5,578) | (45,497) |
| Subtotal | <u>11,505</u> | <u>5,892</u> | <u>48,058</u> |
| Interest and dividend income received | 506 | 295 | 2,404 |
| Interest expenses paid | (897) | (549) | (4,477) |
| Payment for settlement of litigation | (18) | — | — |
| Income taxes paid | <u>(8,863)</u> | <u>(1,770)</u> | <u>(14,435)</u> |
| Net cash provided (used) by operating activities | <u>2,233</u> | <u>3,868</u> | <u>31,550</u> |
| Cash flows from investing activities: | | | |
| Increase (Decrease) in time deposit, net | (2,693) | 1,938 | 15,807 |
| Net proceeds from sales and purchases of marketable securities | 1,204 | 336 | 2,745 |
| Purchase of tangible fixed assets | (2,678) | (6,326) | (51,601) |
| Purchase of intangible assets | (1,618) | (771) | (6,289) |
| Purchase of investments in securities | (4,721) | (10,094) | (82,336) |
| Proceeds from sales of investments in securities | 9,196 | 5,440 | 44,375 |
| Increase in long-term loans receivable | (366) | (394) | (3,211) |
| Decrease in long-term loans receivable | 285 | 86 | 703 |
| Investments in partnerships | (69) | (61) | (499) |
| Distribution from investment partnerships | 484 | 596 | 4,859 |
| Others | 645 | 126 | 1,026 |
| Net cash provided (used) in investing activities | <u>(331)</u> | <u>(9,124)</u> | <u>(74,421)</u> |

(Continued on following page)

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

| | Millions of Yen | | Thousands of U.S. Dollars (Note 1 (1)) |
|---|-----------------|----------------|--|
| | 2001 | 2002 | 2002 |
| Cash flows from financing activities: | | | |
| Increase (Decrease) in short-term loans payable, net | (16,227) | (798) | (6,509) |
| Repayment of long-term debt | (2,610) | (5,196) | (42,382) |
| Proceeds from issuance of corporate bonds | — | 1,700 | 13,866 |
| Issuance of common stock | 6,907 | 352 | 2,870 |
| Purchase of treasury stock | (2) | (8) | (62) |
| Proceeds from sales of treasury stock | 2 | — | — |
| Cash dividends paid | (788) | (837) | (6,830) |
| Others | (58) | 10 | 83 |
| Net cash provided (used) by financing activities | <u>(12,776)</u> | <u>(4,777)</u> | <u>(38,964)</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>42</u> | <u>1</u> | <u>8</u> |
| Net increase (decrease) in cash and cash equivalents | (10,832) | (10,032) | (81,827) |
| Cash and cash equivalents, at beginning | 77,527 | 63,182 | 515,353 |
| Cash and cash equivalents of initially consolidated subsidiaries, at beginning | — | 48 | 388 |
| Cash and cash equivalents of subsidiaries removed from consolidation, at beginning | <u>(349)</u> | <u>—</u> | <u>—</u> |
| Cash and cash equivalents, at end (Notes 2) | <u>¥66,346</u> | <u>¥53,198</u> | <u>\$433,914</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

CSK CORPORATION and Consolidated Subsidiaries

1. SIGNIFICANT ACCOUNTING POLICIES;

(1) Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of CSK CORPORATION ("CSK") and Consolidated Subsidiaries (collectively, the "Company") are an English version of those, which have been prepared in accordance with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Accounting Standards. The accompanying consolidated financial statements should be read in conjunction with the financial statements and related notes included in the annual report of the Company for the year ended March 31, 2002 (2002 Annual Report), because these financial statements were prepared on the basis of the consolidated financial statements and in accordance with the significant accounting policies included in the the Company's 2002 Annual Report, applied in a consistent manner.

The amounts presented in the consolidated financial statements are rounded to the nearest million yen. The rate of ¥122.60=US\$1.00, the rate of exchange on September 30, 2002, has been used in translation. The U.S. dollar amounts in the accompanying consolidated financial statements are included solely for convenience of readers outside Japan. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

Certain amounts in the accompanying consolidated financial statements from prior years have been reclassified to conform to the current year presentation.

(2) Consolidation and investments in affiliates

The accompanying consolidated financial statements include the accounts of CSK and its subsidiaries under its control.

CSK Network Systems Corporation, NextCom K.K., ServiceWare Corporation and other 18 subsidiaries were consolidated for the six months ended September 30, 2002. Bellsystem 24, Inc. was consolidated for the six months ended August 31, 2002. JIEC Co., Ltd. and two overseas subsidiaries were consolidated for the six months ended June 30, 2002.

Investment in SEGA CORPORATION was accounted for under the equity method.

FUKUOKA CSK CORPORATION is newly consolidated from this fiscal year. SPIKE CO., LTD. and Sega logistics Service Co., Ltd. were excluded from application of equity method due to the sale of ownership at the end of the interim period.

(3) Accounting for treasury stocks and reversal of legal reserves

Effective April 1, 2002, Financial Accounting Standard Exposure No. 1 "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" was adopted by CSK and its subsidiaries. Adopting the new accounting standard meant that, compared to calculations under the previous standard, income before income taxes and minority interests, and net income increased by ¥142 million, investments in securities decreased by ¥7,863 million, minority interests decreased by ¥4 million, accumulated deficit decreased by ¥4,570 million, adjustment on revaluation of land increased by ¥266 million, unrealized gains on securities increased by ¥15 million, foreign currency translation adjustments increased by ¥244 million, and treasury stock, at cost increased by ¥2,764 million. These changes primarily reflect the influence of treasury stock of SEGA and CSK owned by SEGA.

According to revision of regulations for interim consolidated financial statements, the interim consolidated financial statement as of September 2002 was prepared in accordance with the revised regulations for interim consolidated financial statements.

2. CONSOLIDATED STATEMENTS OF CASH FLOWS

For the purpose of the consolidated statements of cash flows, Cash and cash equivalents consists of cash on hand, demand deposits, and certain investments with original maturity of three months or less with virtually no risk of loss of value.

Cash at September 30, 2001 and 2002 on the consolidated balance sheets and Cash and cash equivalents at September 30, 2001 and 2002 on the consolidated statements of cash flows are reconciled as follows:

| | Millions of Yen | | Thousands of U.S. Dollars (Note 1 (1)) |
|--|-----------------|----------------|--|
| | 2001 | 2002 | 2002 |
| Cash | ¥55,200 | ¥46,507 | \$379,343 |
| Marketable securities | 20,931 | 15,002 | 122,366 |
| Less: Time deposits with original maturities of more than three months or those submitted as collateral for loans | (3,476) | (198) | (1,615) |
| Less: Cash in escrow accounts | (3) | - | - |
| Less: Equity securities and other marketable securities with original maturities of more than three months | (6,306) | (8,113) | (66,180) |
| Cash and cash equivalents | <u>¥66,346</u> | <u>¥53,198</u> | <u>\$433,914</u> |

3. MARKETABLE SECURITIES AND INVESTMENTS IN SECURITIES

The amortized cost and market value of held-to-maturity bonds that are publicly traded as of September 30, 2002 were ¥15,703 million and ¥15,806 million, respectively.

The acquisition cost and market value of available-for-sale securities that are publicly traded as of September 30, 2002 were ¥18,219 million and ¥16,996 million, respectively.

4. PROPERTY AND EQUIPMENT

Property and equipment as of September 30, 2001 and 2002 consisted of the following:

| | Millions of Yen | | Thousands of U.S. Dollars (Note 1 (1)) |
|--------------------------------------|-----------------|----------------|--|
| | 2001 | 2002 | 2002 |
| Buildings and structures | ¥30,938 | ¥27,351 | \$223,088 |
| Others | 21,503 | 24,135 | 196,862 |
| | 52,441 | 51,486 | 419,950 |
| Less: Accumulated depreciation | (27,045) | (27,462) | (224,000) |
| | 25,396 | 24,024 | 195,950 |
| Land | 15,056 | 15,005 | 122,391 |
| | <u>¥40,452</u> | <u>¥39,029</u> | <u>\$318,341</u> |

5. SEGMENT INFORMATION

The Company operates principally in four segments: computer services, computer and other product sales, prepaid card sales, and others.

| Segment | Major products and services |
|----------------------------------|---|
| Computer services | Systems development, systems integration, facilities management and other related services |
| Computer and other product sales | Computer and other product sales and information technology related engineering |
| Prepaid card sales | Issuance and settlement of prepaid cards, development and sales of card systems |
| Publication | Publication of books and magazines (As ASCII CORPORATION was excluded from consolidation at the end of the last fiscal year, this segment is not reflected in this fiscal year.) |
| Others | Investment in venture companies, rental of intelligent buildings, rental of computer and related products |

The segment information of the Company for the six months ended September 30, 2001 and 2002 classified by segment is presented below:

| Millions of Yen | | | | | | | | |
|---|-------------------|----------------------------------|--------------------|-------------|--------|----------|---------------------------|--------------------|
| For the six months ended September 30, 2001 | | | | | | | | |
| | Computer services | Computer and other product sales | Prepaid card sales | Publication | Others | Total | Elimination and corporate | Consolidated total |
| Sales and operating revenue: | | | | | | | | |
| Outside customers | ¥111,382 | ¥49,768 | ¥25,361 | ¥12,806 | ¥ 746 | ¥200,063 | ¥ - | ¥200,063 |
| Inter-segment sales/transfers | 936 | 195 | 16 | 218 | 297 | 1,662 | (1,662) | - |
| Total | 112,318 | 49,963 | 25,377 | 13,024 | 1,043 | 201,725 | (1,662) | 200,063 |
| Costs and expenses | 106,787 | 49,319 | 25,488 | 13,925 | 994 | 196,513 | (1,630) | 194,883 |
| Operating income (loss) | ¥ 5,531 | ¥ 644 | ¥ (111) | ¥ (901) | ¥ 49 | ¥ 5,212 | ¥ (32) | ¥ 5,180 |

| Millions of Yen | | | | | | | | |
|---|-------------------|----------------------------------|--------------------|-------------|---------|----------|---------------------------|--------------------|
| For the six months ended September 30, 2002 | | | | | | | | |
| | Computer services | Computer and other product sales | Prepaid card sales | Publication | Others | Total | Elimination and corporate | Consolidated total |
| Sales and operating revenue: | | | | | | | | |
| Outside customers | ¥111,213 | ¥27,523 | ¥26,358 | ¥ - | ¥ 615 | ¥165,709 | ¥ - | ¥165,709 |
| Inter-segment sales/transfers | 303 | 748 | 7 | - | 302 | 1,360 | (1,360) | - |
| Total | 111,516 | 28,271 | 26,365 | - | 917 | 167,069 | (1,360) | 165,709 |
| Costs and expenses | 102,759 | 27,176 | 25,977 | - | 1,432 | 157,344 | (1,323) | 156,021 |
| Operating income (loss) | ¥ 8,757 | ¥ 1,095 | ¥ 388 | ¥ - | ¥ (515) | ¥ 9,725 | ¥ (37) | ¥ 9,688 |

| Thousands of U.S. Dollars (Note 1 (1)) | | | | | | | | |
|---|-------------------|----------------------------------|--------------------|-------------|------------|-------------|---------------------------|--------------------|
| For the six months ended September 30, 2002 | | | | | | | | |
| | Computer services | Computer and other product sales | Prepaid card sales | Publication | Others | Total | Elimination and corporate | Consolidated total |
| Sales and operating revenue: | | | | | | | | |
| Outside customers | \$907,119 | \$224,498 | \$214,995 | \$ - | \$ 5,015 | \$1,351,627 | \$ - | \$1,351,627 |
| Inter-segment sales/transfers | 2,471 | 6,097 | 57 | - | 2,467 | 11,092 | (11,092) | - |
| Total | 909,590 | 230,595 | 215,052 | - | 7,482 | 1,362,719 | (11,092) | 1,351,627 |
| Costs and expenses | 838,161 | 221,662 | 211,889 | - | 11,684 | 1,283,396 | (10,791) | 1,272,605 |
| Operating income (loss) | \$ 71,429 | \$ 8,933 | \$ 3,163 | \$ - | \$ (4,202) | \$ 79,323 | \$ (301) | \$ 79,022 |

Segment information for geographic locations is omitted for the six months ended September 30, 2001 and 2002 since total sales for the "Japan" segment exceeded 90 percent of total sales in each period. Information regarding overseas sales is omitted for the six months ended September 30, 2001 and 2002 since total overseas sales was less than 10 percent of consolidated total sales in each period.

6. SUBSEQUENT EVENTS

Share swap contracts

As part of Group reorganization, on November 21, 2002 CSK CORPORATION concluded share swap contracts with Group subsidiaries CSK Communications Corporation ("CCO") and with CSK Venture Capital Co., Ltd. ("CSKVC") in which both will become wholly owned subsidiaries of CSK CORPORATION. As 100% subsidiaries it is expected that the pace of decision making within both companies can be improved.

1. Outline of share swap contract with CSK Communications Corporation

a) Basic agreement

A share exchange will be undertaken such that CCO will become a 100% owned subsidiary of CSK CORPORATION.

b) Share exchange ratio

Eligibility: Shareholders listed in CCO's shareholder register or who are actually registered shareholders as at the close of business on the day prior to the share exchange day.

Exchange ratio: CSK: CCO=1: 74

c) Record day for dividends

October 1, 2002

d) Date of share exchange

February 1, 2003. In line with Article 358-1 of the Japanese Commercial Code (Simple Share Swap), CSK will carry out the share swap contract without obtaining approval at a general shareholders meeting.

e) Payment

There will be no payment of money on share exchange.

f) Class of shares to be exchanged

Ordinary shares in CSK that are held by CSK

g) Changes to common stock and capital surplus

Common stock: Common stock will not be increased

Capital surplus: Capital surplus will be increased by the net asset value of CCO on the day of share exchange, adjusted by the ratio of the number of CCO's shares for which CSK shares have been exchanged to the total number of issued CCO shares, minus the total book value of CSK shares transferred to CCO shareholders. However if the above calculation does not result in an increased value, there will be no increase in capital surplus.

2. Outline of share swap contract with CSK Venture Capital Co., Ltd.

a) Basic agreement

A share exchange will be undertaken such that CSKVC will become a 100% owned subsidiary of CSK CORPORATION.

b) Share exchange ratio

Eligibility: Shareholders listed in CSKVC shareholder register as at the close of business on the day prior to the share exchange day.

Exchange ratio: CSK: CSKVC=1: 96

c) Record day for dividends

October 1, 2002

d) Date of share exchange

February 1, 2003. In line with Article 358-1 of the Commercial Code (Simple Share Swap), CSK will carry out the share swap contract without obtaining approval at a general shareholders meeting.

e) Payment

There will be no payment of money on share exchange.

f) Class of shares to be exchanged

Ordinary shares in CSK that are held by CSK

g) Changes to common stock and capital surplus

Common stock: Common stock will not be increased

Capital surplus: Capital surplus will be increased by the net asset value of CSKVC on the day of share exchange, adjusted by the ratio of the number of CSKVC's shares for which CSK shares have been exchanged to the total number of issued CSKVC shares, minus the total book value of CSK shares transferred to CSKVC shareholders. However if the above calculation does not result in an increased value, there will be no increase in capital surplus.

Purchase of treasury stock

Shareholders at CSK's general shareholders' meeting on June 27, 2002 approved a proposal to implement a share buyback plan under article 210 of the Commercial Code. The plan allows for a maximum of 10 million CSK ordinary shares to be purchased for a total outlay of up to ¥55 billion during the period until the next general shareholders' meeting in June 2003. Shares have since been acquired (using ToSTNeT-2, the Tokyo Stock Exchange Trading Network System) from October 1, 2002 to November 30, 2002 as follows:

Class of share: CSK ordinary shares

Number of shares acquired: 4,049,800

Total purchase price: ¥10,983 million

NON-CONSOLIDATED BALANCE SHEETS (Unaudited)

CSK CORPORATION and Consolidated Subsidiaries
As of September 30, 2001 and 2002

| ASSETS | Millions of Yen | | Thousands of U.S. Dollars (Note 1 (1)) |
|---|---------------------|---------------------|--|
| | 2001 | 2002 | 2002 |
| Current assets: | | | |
| Cash | ¥ 10,881 | ¥ 11,170 | \$ 91,112 |
| Notes and accounts receivable | 17,486 | 20,504 | 167,238 |
| Inventories and systems in progress | 5,019 | 4,992 | 40,717 |
| Short-term loans to subsidiaries and affiliates | 3,556 | 11,135 | 90,824 |
| Other current assets | 5,217 | 12,431 | 101,395 |
| Allowance for doubtful accounts | (79) | (521) | (4,247) |
| Total current assets | <u>42,080</u> | <u>59,711</u> | <u>487,039</u> |
| Property and equipment, net of accumulated depreciation | 19,125 | 23,457 | 191,329 |
| Deferred charges and intangible assets | 593 | 659 | 5,378 |
| Investments and other assets: | | | |
| Investments in securities | 11,916 | 9,289 | 75,764 |
| Investments in subsidiaries and affiliates | 158,938 | 138,680 | 1,131,162 |
| Investments in partnerships | 9,418 | 7,037 | 57,402 |
| Long-term loans to subsidiaries and affiliates | 1,603 | 829 | 6,759 |
| Deferred income taxes | 1,100 | 17,833 | 145,454 |
| Fixed leasehold deposits | 3,542 | 3,506 | 28,593 |
| Other assets | 1,462 | 1,247 | 10,173 |
| Allowance for investment losses | (3,700) | — | — |
| Allowance for doubtful accounts | (653) | (176) | (1,433) |
| Total investments and other assets | <u>183,626</u> | <u>178,245</u> | <u>1,453,874</u> |
| Total assets | <u>¥245,424</u> | <u>¥262,072</u> | <u>\$2,137,620</u> |

(Continued on following page)

CSK CORPORATION

| LIABILITIES AND SHAREHOLDERS' EQUITY | Millions of Yen | | Thousands of U.S. Dollars (Note 1 (1)) |
|---|-----------------|-----------------|--|
| | 2001 | 2002 | 2002 |
| Current liabilities: | | | |
| Accounts payable | ¥ 8,524 | ¥ 10,326 | \$ 84,223 |
| Short-term bank loans payable | 45,464 | 58,964 | 480,946 |
| Current portion of convertible bonds payable | 6,683 | — | — |
| Commercial paper | 20,000 | 7,000 | 57,096 |
| Accrued expenses | 2,506 | 2,085 | 17,007 |
| Accrued income taxes | 15 | 16 | 133 |
| Accrued consumption taxes | 462 | 403 | 3,286 |
| Accrued bonuses to employees | 4,000 | 3,980 | 32,463 |
| Other current liabilities | 2,040 | 2,575 | 21,008 |
| Total current liabilities | <u>89,694</u> | <u>85,349</u> | <u>696,162</u> |
| Long-term liabilities: | | | |
| Long-term bank loans payable | 792 | 19,828 | 161,729 |
| Accrued employees' retirement benefits | 2,664 | 2,917 | 23,794 |
| Other long-term liabilities | 691 | 693 | 5,647 |
| Total long-term liabilities | <u>4,147</u> | <u>23,438</u> | <u>191,170</u> |
| Shareholders' equity: | | | |
| Common stock— | | | |
| Authorized: 298,000,000 shares at September 30, | | | |
| 2001 and 2002, respectively | | | |
| Issued: 74,700,164 and 74,703,064 shares at September 30, | | | |
| 2001 and 2002, respectively | 69,029 | 69,034 | 563,085 |
| Capital surplus | 78,795 | 78,800 | 642,738 |
| Retained earnings | 3,505 | 5,467 | 44,595 |
| Unrealized gains (losses) on securities | 254 | (7) | (53) |
| Treasury stock, at cost | (0) | (9) | (77) |
| Total shareholders' equity | <u>151,583</u> | <u>153,285</u> | <u>1,250,288</u> |
| Total liabilities and shareholders' equity | <u>¥245,424</u> | <u>¥262,072</u> | <u>\$2,137,620</u> |

NON-CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

CSK CORPORATION and Consolidated Subsidiaries
For the six months ended September 30, 2001 and 2002

| | Millions of Yen | | Thousands of U.S. Dollars (Note 1 (1)) |
|---|----------------------|--------------------|--|
| | 2001 | 2002 | 2002 |
| Sales and operating revenue: | | | |
| Computer services | ¥ 46,072 | ¥45,423 | \$370,502 |
| Computer and other product sales | 11,031 | 12,255 | 99,958 |
| Rental | 675 | 705 | 5,749 |
| | <u>57,778</u> | <u>58,383</u> | <u>476,209</u> |
| Operating costs | 45,247 | 46,625 | 380,307 |
| Selling, general and administrative expenses | 7,656 | 7,336 | 59,837 |
| | <u>52,903</u> | <u>53,961</u> | <u>440,144</u> |
| Operating income | 4,875 | 4,422 | 36,065 |
| Other income (expenses): | | | |
| Interest and dividend income | 515 | 543 | 4,428 |
| Interest expenses | (299) | (470) | (3,834) |
| Loss on write-down of investments in subsidiaries | (29,239) | (3,187) | (25,996) |
| Loss on write-down of investments in securities | (77) | (1,734) | (14,144) |
| Provision for allowance for investment losses | (3,700) | - | - |
| Others, net | (728) | 4,330 | 35,321 |
| Income (loss) before income taxes | <u>(28,653)</u> | <u>3,904</u> | <u>31,840</u> |
| Income taxes: | | | |
| Current | 155 | 16 | 127 |
| Deferred | 1,293 | 1,277 | 10,420 |
| Net income (loss) | <u>¥(30,101)</u> | <u>¥ 2,611</u> | <u>\$ 21,293</u> |
| Per share information: | | | |
| Basic earnings per share | <u>¥(402.96)</u> | <u>¥34.95</u> | <u>\$0.29</u> |
| Cash dividends | <u>¥ 6.00</u> | <u>¥ -</u> | <u>\$ -</u> |

BOARD OF DIRECTORS AND CORPORATE AUDITORS



Masahiro Aozono
President and
Chief Executive Officer



Teiichi Aruga
Executive Vice President



Makoto Sakagawa
Executive Vice President



Yoshito Fukuyama
Executive Vice President



Keiji Azuma
Senior Managing Director



Hiromichi Tabata
Senior Managing Director



Masanori Furunuma
Senior Managing Director



Yoshinobu Hayashi
Senior Managing Director



Masatoshi Toriihara
Managing Director



Masahiko Suzuki
Managing Director



Hiroshi Tsujikawa
Managing Director



Katsushi Toki
Managing Director

President and Chief Executive Officer

Masahiro Aozono

Executive Vice Presidents

Teiichi Aruga
Makoto Sakagawa
Yoshito Fukuyama

Senior Managing Directors

Keiji Azuma
Hiromichi Tabata
Masanori Furunuma
Yoshinobu Hayashi

Managing Directors

Masatoshi Toriihara
Masahiko Suzuki
Hiroshi Tsujikawa
Katsushi Toki

Directors

Kazuhiko Nishioka
Shigeki Date
Sadayuki Nomura
Masahiko Sone
Masahiko Nomiyama
Takeshi Nakanishi
Kazuo Kato
Hidekazu Yukawa
Yujiro Sato

Executive Advisor and
Member of the Board

Yoshiji Fukushima

Standing Statutory Auditor

Takahiro Akatsuka

Corporate Auditors

Toshio Nakajima
Yoshiyuki Minegishi
Hidetoshi Masunaga

As of September 30, 2002

INVESTOR INFORMATION

As of September 30, 2002

Corporate Name: CSK CORPORATION

Established: October 7, 1968

Stock Exchange Listings: First Section of the Tokyo Stock Exchange (Listed on March 1, 1985)
Osaka Securities Exchange (Listed on June 17, 1991)
Nagoya Stock Exchange (Listed on June 17, 1991)
Nasdaq NM (Listed on August 29, 1983)

Paid-in Capital: ¥69,034 million

Number of Employees: 4,807

URL: <http://www.csk.co.jp/>

Transfer Agent and Registrar: The Sumitomo Trust & Banking Co., Ltd.
Head Office: 4-5-33, Kitahama, Chuo-ku, Osaka 540-8639, Japan

Tokyo Stock Transfer Agency Department: 1-4-4, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan

Mailing Address: 1-10, Nikko-cho, Fuchu-shi, Tokyo 183-8701, Japan

Stockholder Registration Contact Number: 81-42-351-2211
81-6-6833-4700

URL: <http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html>

Depository for ADRs: The Bank of New York
101 Barclay Street, New York, NY 10286, U.S.A.
Phone: 1-212-815-2218
U.S. toll free: 1-888-269-2377



URL: <http://www.csk.co.jp/>

For more information on CSK, please contact
CSK Public Relations Office IR Section
Phone: 81-3-5321-3164
E-mail: IR_sp@cii.csk.co.jp

Printed in Japan